

**The Foundation Information for Real Property  
Management System Can Be an Effective  
Tool to Manage Space Inventory**

**October 2000**

**Reference Number: 2001-10-005**

**This report has cleared the Treasury Inspector General for Tax Administration disclosure review process and information determined to be restricted from public release has been redacted from this document.**



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

INSPECTOR GENERAL  
for TAX  
ADMINISTRATION

October 18, 2000

MEMORANDUM FOR COMMISSIONER ROSSOTTI

A handwritten signature in cursive script, reading "Pamela J. Gardiner".

FROM: Pamela J. Gardiner  
Deputy Inspector General for Audit

SUBJECT: Final Audit Report - The Foundation Information for Real  
Property Management System Can Be an Effective Tool to  
Manage Space Inventory

This report presents the results of our review to determine if the new space inventory computer system will be an effective tool to manage the space inventory. In summary, we found that the new system can be an effective tool to manage space, forecast the rent budget, and reconcile GSA rent bills.

We recommended that standard operating and quality review procedures be developed and implemented to ensure the accuracy of the information in the database and the reliability of the reports. We also recommended that enhancements should be made to allow the various components of the system to interact with each other to eliminate the need for duplicate entries.

Internal Revenue Service (IRS) management agreed with the recommendations contained in the report and has begun to take corrective actions. Management's comments have been incorporated into the report where appropriate, and the full text of their response is included as an appendix.

Copies of this report are also being sent to the IRS managers who are affected by the report recommendations. Please contact me at (202) 622-6510 if you have questions, or your staff may call Maurice S. Moody, Associate Inspector General for Audit (Headquarters Operations and Exempt Organizations Program), at (202) 622-8500.

# **The Foundation Information for Real Property Management System Can Be an Effective Tool to Manage Space Inventory**

---

## **Table of Contents**

Executive Summary.....	Page	i
Objective and Scope.....	Page	1
Background .....	Page	1
Results .....	Page	2
Standard Operating Procedures Need to Be Established and Implemented .....	Page	3
Enhancements to the Foundation Information for Real Property Management System Are Needed to Ensure That Various Modular Components Interact With Each Other .....	Page	6
Conclusion.....	Page	7
Appendix I – Detailed Objective, Scope, and Methodology .....	Page	8
Appendix II – Major Contributors to This Report.....	Page	11
Appendix III – Report Distribution List.....	Page	12
Appendix IV – Management’s Response to the Draft Report .....	Page	13

# **The Foundation Information for Real Property Management System Can Be an Effective Tool to Manage Space Inventory**

---

## **Executive Summary**

During Fiscal Year (FY) 2000, the Internal Revenue Service (IRS) will spend over \$550 million in rent charges for almost 30 million square feet of occupied space nationwide. Beginning in 1992, the Space Management and Rent Tracking System - Enhanced Revision (SMARTER) was used by the IRS as an effective tool to assist in managing the space inventory. The General Services Administration (GSA) changed its billing policy and structure in 1998, making the SMARTER obsolete. The IRS obtained the Foundation Information for Real Property Management (FIRM) system from the GSA to replace the SMARTER.

The IRS has taken steps that should ensure FIRM will be an effective tool to manage space inventory. A vendor was engaged to modify the system to handle specific needs of the IRS. In addition, while the new system is being tested, the SMARTER is being maintained and run parallel until the FIRM database is updated and perfected. Further, the Real Estate Planning and Management (REPM) Division's staff verified the accuracy of the modifications made to FIRM.

The overall objective of this review was to determine if FIRM will be an effective tool to manage space, forecast the rent budget, and reconcile GSA rent bills.

## **Results**

The REPM Division took positive steps to ensure that the information in FIRM was accurate. However, the IRS could be at risk of inaccurate billing if standard operating procedures are not established to ensure the continued accuracy of the FIRM database. To minimize this risk, the standard operating procedures should include a consistent tolerance figure used by the Host Site Coordinators when certifying the accuracy of the GSA monthly bills. In addition, the procedures should include required periodic reviews and verifications of the accuracy of the information in FIRM. Further, the system should be enhanced to ensure that the information input to one module automatically updates component modules requiring the input of the same information. Enhancing the system will allow the IRS to timely identify processing errors or omissions, thus preventing inaccurate billing by the GSA.

## **Standard Operating Procedures Need to Be Established and Implemented**

Standard operating procedures are needed for the Coordinators to properly perform their duties. Individuals responsible for the day-to-day operation of the space management

## **The Foundation Information for Real Property Management System Can Be an Effective Tool to Manage Space Inventory**

---

system have been working under different sets of rules and procedures. The procedures should include a consistent tolerance level when verifying GSA rent bills, a consistent method for documenting rent bill discrepancies, and procedures for properly inputting data into FIRM. For example, each Regional Coordinator uses a different tolerance amount. The tolerance ranged from \$100 used by 3 Regional Coordinators to \$2,000 used by the Headquarters Operations function's Coordinator. In addition, another Regional Coordinator accepted the monthly bill if the difference was 1 percent or less than the total bill.

For FIRM to be accurate and reliable, the data must be properly processed. Whenever discrepancies are identified, the IRS requires the Coordinators to prepare an Agency Request for Adjustment (Form 2972). However, the Headquarters Operations function's Coordinator recorded the amount to be paid on a spreadsheet but did not document the reconciliation of the GSA bill with the SMARTER, the discrepancies identified, or the contacts with the GSA.

The procedures should also require periodic quality reviews to ensure that acquisitions and releases of space, and changes in billing rates or lease terms, are accurately entered into FIRM. Without periodic quality reviews, errors and omissions in the monthly rent bills will go undetected, resulting in inaccurate billing by the GSA.

### **Enhancements to the Foundation Information for Real Property Management System Are Needed to Ensure That Various Modular Components Interact With Each Other**

FIRM is a modular database system and not all its components interact with each other. The building inventory screen is a module within FIRM containing the inventory of the space occupied by the IRS. The rent comparison screen is the module used to verify the GSA monthly rent bill for space occupied by the IRS. The system does not automatically update entries made on the building inventory screen to the rent comparison screen. Therefore, information must be manually entered into both screens. All acquisitions and releases of space are input to the building inventory screen and must also be entered into the rent comparison screen. Acquisitions and releases of space accounted for approximately \$10 million in transactions for FY 2000. Since the system relies on duplicate entries to both the inventory screen and the rent comparison screen, without the enhancements to FIRM, discrepancies may not be identified and the rent budget projection reports could be inaccurate.

### **Summary of Recommendations**

To ensure that FIRM will be an effective tool to manage space inventory, the REPM should establish and implement operating and quality review procedures to ensure the

## **The Foundation Information for Real Property Management System Can Be an Effective Tool to Manage Space Inventory**

---

continued accuracy of the FIRM database. The operating procedures should include a consistent tolerance figure used by the Coordinators when certifying the accuracy of the GSA monthly bills. The procedures should also include required periodic reviews and verifications of the accuracy of the information in FIRM. Also, the system should be enhanced to have the building inventory screen automatically update the rent comparison screen. This enhancement will identify input errors and prevent possible inaccurate billing by the GSA.

Management's Response: The Director, Real Estate and Facilities Management, issued a policy memorandum establishing a standard threshold of \$100 for discrepancies between the IRS inventory and the GSA rent bill. Quality review requirements have been developed and will be issued as part of revised FIRM procedures in October 2000. The FIRM contractor is currently programming the affected screens on FIRM to distinguish between a partial and full release of space. The contractor is also changing the rent comparison screen (agency portion) to include information from the IRS acquisition and building inventory screens, eliminating the need for duplicate data entry. An updated version of FIRM with the modified screens will be issued in October 2000.

Management's complete response to the draft report is included as Appendix IV.

# The Foundation Information for Real Property Management System Can Be an Effective Tool to Manage Space Inventory

---

## Objective and Scope

*The overall objective was to determine if FIRM would be an effective tool to manage space.*

The overall objective of this review was to determine if the Foundation Information for Real Property Management (FIRM), a computer database system, will be an effective tool to manage space, forecast the rent budget, and reconcile General Services Administration (GSA) rent bills. We evaluated FIRM-generated reports, information input to FIRM, and procedures to be used to ensure the database would remain accurate and reliable. We also interviewed the individuals responsible for developing procedures and controls to ensure the continued accuracy and reliability of the database.

The audit was performed in the Office of the Director, Real Estate Planning and Management (REPM), during the period November 1999 through June 2000. We conducted audit tests at the Metro Penn Host Site in Philadelphia,<sup>1</sup> the Northeast and Western Regional Offices, and the Office of the Chief, Headquarters Operations. We also made limited contacts with the Regional Coordinators in the Midstates and Southeast Regions. This audit was performed in accordance with *Government Auditing Standards*.

Details of our audit objective, scope, and methodology are presented in Appendix I. Major contributors to this report are listed in Appendix II.

## Background

*The IRS rent expenditures for FY 2000 will exceed \$550 million.*

The Internal Revenue Service (IRS) occupies approximately 30 million square feet of space nationwide and will spend over \$550 million in rent charges during Fiscal Year (FY) 2000. The REPM Division is responsible for space management in

---

<sup>1</sup> A Host Site is responsible for overseeing facilities management program activities, such as space management, under the direction of the Director, Support Services.

## The Foundation Information for Real Property Management System Can Be an Effective Tool to Manage Space Inventory

---

the IRS. Regional and Host Site Coordinators are responsible for tracking the acquisitions and releases of property and monitoring and reconciling monthly rent bills received from the GSA.

Beginning in 1992, the Space Management and Rent Tracking System - Enhanced Revision (SMARTER) was used by the IRS as an effective tool to assist in managing the space inventory, reconciling GSA monthly rent bills, and providing rent budget projections. In June 1998, the GSA changed its billing policy and structure, making the SMARTER obsolete. The IRS obtained the FIRM system from the GSA to replace the SMARTER. The IRS tested the new system and updated and perfected the database for the new system. The SMARTER will continue to run parallel with FIRM until testing in FY 2000 is completed. When testing is completed, the SMARTER will be discontinued.

### Results

*The REPM Division took steps to ensure that FIRM would be an effective tool to manage the space inventory.*

The REPM Division took steps to ensure that FIRM would be an effective tool to manage the space inventory. A vendor was engaged to modify the system to handle specific needs of the IRS. The REPM staff tested and verified the accuracy of the modifications made to FIRM. Information in the SMARTER was downloaded into FIRM, and the REPM Division issued instructions on perfecting the data. Regional and Host Site Coordinators met in March 2000 and reviewed and updated the FIRM information for all the buildings under their control. Updating and correcting information in the FIRM database continued through mid-May 2000.

The Regional Host Site Coordinators prepared reports from the information in FIRM and compared them to the information in the SMARTER as of August 24, 1999, a benchmark date established by the REPM Division. All differences had to be explained and changes made to FIRM. The respective facilities management branch chiefs certified the accuracy of the FIRM database.



## **The Foundation Information for Real Property Management System Can Be an Effective Tool to Manage Space Inventory**

---

The rent budget projection reports accurately showed the rent costs for space occupied by the IRS. The acquisition and release reports accurately showed changes to space occupied, or to be occupied, by the IRS. In addition, the rent discrepancy report accurately reflected differences between the GSA rent bills and the FIRM database.

The rent comparison screens, along with the rent discrepancy report, provide an automated method to reconcile GSA rent bills with IRS rent information.

While the information in FIRM and the reports are currently accurate, there is a need for standard operating and quality review procedures to be established and implemented to ensure the continued accuracy of the database and the reports. Further, FIRM should be enhanced to ensure the continued accuracy of the database to prevent inaccurate billing.

---

### **Standard Operating Procedures Need to Be Established and Implemented**

---

*Standard operating procedures are needed for Host Site Coordinators to properly perform their duties.*

Standard operating procedures need to be established and implemented for Host Site Coordinators to consistently perform their duties. Host Site Coordinators are currently working under old regional procedures and are subject to different rules and processing instructions within each region.

To ensure that the FIRM database remains accurate and prevents inaccurate billing, the IRS must establish standard operating procedures to address the following issues:

- Define a consistent tolerance figure when billing discrepancies occur.
- Establish consistent procedures for properly inputting data into FIRM and documenting GSA billing discrepancies.

## The Foundation Information for Real Property Management System Can Be an Effective Tool to Manage Space Inventory

---

- Establish quality review procedures to identify processing errors and omissions.

### **Define a consistent tolerance figure when billing discrepancies occur**

*IRS management did not establish procedures to ensure a consistent tolerance figure was used when validating the GSA monthly rent bills.*

IRS management did not establish a consistent tolerance figure to be used by the Host Site Coordinators when validating the GSA monthly rent bills. The tolerance ranged from \$100 in 3 of the regions to \$2,000 in the Headquarters Operations function. In addition, another region accepted the monthly bill if the difference was 1 percent or less of the total bill for the building. The National Headquarters was aware of the variances but did not plan to address them until FIRM replaced the SMARTER.

### **Establish consistent procedures for properly inputting data into FIRM and documenting GSA billing discrepancies**

*The input of data to FIRM to release space must be precise.*

Data have to be precisely input to FIRM to be properly processed. For example, partial releases of space in a building must be entered into FIRM in a slightly different manner than when releasing the entire space in a building. If the procedures are not precisely followed, FIRM will not properly record the partial release of the space. Coordinators need to be provided with instructions to be able to properly enter the data into FIRM.

*One Coordinator did not properly document rent bill discrepancies.*

The Coordinators are required by the IRS to report GSA billing discrepancies on an Agency Request for Adjustment (Form 2972). This form is used to document discrepancies between IRS rent records and GSA bills. The Headquarters Operations function's Coordinator recorded the amount to be paid onto a spreadsheet but did not document the reconciliation of the GSA bills with the SMARTER, the discrepancies identified, or the contacts with the GSA. Without documentation, the IRS cannot verify the accuracy of GSA monthly rent bills to prevent inaccurate billing for items, such as building security charges.

## The Foundation Information for Real Property Management System Can Be an Effective Tool to Manage Space Inventory

---

### **Establish quality review procedures to identify processing errors and omissions**

*Projected acquisitions and releases for FY 2000 are over \$8 million and \$2 million, respectively.*

Acquisitions and releases of property can have a significant impact on the rent budget projection reports. In April, the reports showed over \$8 million in projected acquisitions and over \$2 million in projected releases for the remainder of FY 2000. If acquisitions and releases of space are not input timely and correctly, the FIRM rent budget projection reports will be either over or understated.

*The IRS needs to timely input periodic adjustments for leased space charges or the terms of a lease to avoid billing errors by the GSA.*

Periodically, the GSA adjusts leased space charges, or the terms of a lease may change. If changes, such as a reduction in the standard rate per square foot or the elimination of a building security charge, are not timely and correctly input to FIRM, the IRS may be inaccurately billed for rent.

Without periodic review and verification of the accuracy of the information in FIRM through a quality review process, errors and omissions may go undetected. In addition, the rent budget projection reports generated may be inaccurate.

### **Recommendation**

1. Management should establish and implement FIRM standard operating procedures, including a quality review process. This would ensure that users are properly managing the database, ensure continued database accuracy, and help prevent billing errors from the GSA.

**Management's Response:** The Director, Real Estate and Facilities Management, issued a memorandum establishing a standard threshold of \$100 for discrepancies between the IRS inventory and the GSA rent bill. Quality review requirements have been developed and will be issued as part of revised FIRM procedures in October 2000. The FIRM contractor is currently programming the affected screens on FIRM to distinguish between a partial and full release of space.

## The Foundation Information for Real Property Management System Can Be an Effective Tool to Manage Space Inventory

---

### Enhancements to the Foundation Information for Real Property Management System Are Needed to Ensure That Various Modular Components Interact With Each Other

---

*FIRM is a modular database system and not all of its various components interact with each other.*

FIRM is a modular database system and not all of its various components interact with each other. The rent comparison screen is updated each month with the current GSA bill information and with the agency information from the previous month's rent comparison screen. The building inventory screen is updated through input screens, such as the acquisition and rate information, and the release screens.

The rent comparison screen is used to reconcile the GSA rent bills while the building inventory screen is used to display actual and projected space holdings, including projected releases and acquisitions.

Updates to the building inventory screen are not automatically recorded on the rent comparison screen; any releases of space would not be reflected on the agency portion of the rent comparison screen. The system is dependent on the Host Site Coordinator being aware of any releases of space when doing the monthly rent reconciliation. If released space is not taken into consideration during the rent reconciliation process, the GSA could subject the IRS to inaccurate billing.

Future enhancements to FIRM should include having the updates to the building inventory screen automatically reflected on the rent comparison screen to help prevent inaccurate billing by the GSA.

### Recommendation

2. FIRM should be enhanced to have the building inventory screen automatically update the rent comparison screen. This will eliminate the need for duplicating entries, decrease potential input errors, and identify inaccurate billing by the GSA.

## **The Foundation Information for Real Property Management System Can Be an Effective Tool to Manage Space Inventory**

---

Management's Response: The FIRM contractor is changing the rent comparison screen (agency portion) to include information from the IRS acquisition and building inventory screens, eliminating the need for duplicate data entry. An updated version of FIRM with the modified screen will be issued in October 2000.

### **Conclusion**

The FIRM system can be an effective tool to manage space, forecast the rent budget, and reconcile GSA rent bills. Standard operating procedures for using and reviewing FIRM information will help to ensure the accuracy of the information in the database and the reliability of the reports. Enhancements to FIRM will eliminate the need for duplicate entries and help ensure accurate billing by the GSA.

## **The Foundation Information for Real Property Management System Can Be an Effective Tool to Manage Space Inventory**

---

### **Appendix I**

#### **Detailed Objective, Scope, and Methodology**

The overall objective was to determine if the Foundation Information for Real Property Management (FIRM) system will be an effective tool to manage space, forecast the rent budget, and reconcile GSA rent bills. The following steps were conducted to accomplish the audit objective:

- I. To determine if the reports generated by FIRM were accurate, we:

##### Rent Discrepancy Reports

1. Selected a sample of 25 of the 272 buildings appearing on a copy of the report printed on April 14, 2000. The sample included 20 buildings from our case review sample in step II-1 and an additional 5 buildings controlled by the host sites included in step II-1.

Compared the information on the report to the Rent Comparison Screens for October through December 1999 in the FIRM for each of the 25 buildings.

2. Selected a sample of 25 buildings that did not appear on the report printed on April 14, 2000. The sample included 16 buildings from our case review sample in step II-1 and an additional 9 buildings controlled by the host sites included in step II-1.

Reviewed the Rent Comparison Screens in the FIRM for October through December 1999 for each of the 25 buildings in our sample.

##### Acquisitions and Releases Reports

1. Selected a sample of 15 of the 47 acquisitions in the National Headquarters and the Northeast and Western Regions from the Projected Acquisitions Report printed on April 12, 2000.

Compared the information on the report to the Building Inventory Screens in the FIRM for each of the 15 buildings.

2. Selected a sample of 15 of the 28 releases in the Northeast and Western Regions from the Projected Releases Report printed on April 12, 2000.

Compared the information on the report to the database Building Inventory Screens and Rent Comparison Screens in the FIRM and computed the estimated savings for each of the 15 buildings.

## **The Foundation Information for Real Property Management System Can Be an Effective Tool to Manage Space Inventory**

---

3. Compared the information on the Projected Acquisitions and Projected Releases Reports to the Servicewide Summary Acquisitions/Releases Report printed on April 12, 2000.
4. Compared the information on the Projected Acquisitions and Projected Releases Reports to the Regional Rent Budget Projection Reports and the Servicewide Rent Budget Projection Report printed on April 12, 2000.

### Rent Budget Projection Reports

1. Compared the cost information in the FIRM database (Building Inventory Screens) for the 36 buildings in our case review sample in step II-1 to the dollar amounts listed on the Regional Rent Budget Projection Reports printed on April 12, 2000.
2. Printed the Regional Rent Budget Projection Reports on April 25, 2000, and selected one organization code segment each from the National Headquarters and the Northeast and Western Regions.  
  
Selected all 25 buildings listed under the 3 organization code segments and compared the dollar amounts on the report to the building inventory screens for each of the 25 buildings.
3. Compared the dollar amounts on the five Regional Rent Budget Projection Reports printed on April 12 and 25, 2000, to the dollar amounts on the Servicewide Summary Rent Budget Projection Reports printed on April 12 and 25, 2000.

## **II. To determine if the information in the FIRM database was accurate, we:**

1. Selected a judgmental sample of 36 of the 242 buildings controlled by Coordinators in the National Headquarters and the Northeast and Western Regions and used the Space Management and Rent Tracking System – Enhanced Revision (SMARTER) and project file information to verify the accuracy of the information in the FIRM database.
2. Interviewed personnel in the Real Estate Planning and Management (REPM) Division and evaluated the procedures they established for data-perfection during the conversion from the SMARTER to the FIRM.
3. Interviewed the National Headquarters and the Regional Coordinators and evaluated the procedures they established for the perfection of data in FIRM.
4. Reviewed the certification reports attesting to the accuracy of the FIRM database prepared by the National Headquarters and the four Regional Coordinators.

## **The Foundation Information for Real Property Management System Can Be an Effective Tool to Manage Space Inventory**

---

- III. To determine if controls were developed to help ensure that the FIRM will provide reliable information to account for and manage space, we:
1. Interviewed personnel in the REPM Division about the status and nature of the procedures and practices that will be issued on the use and review of the FIRM.
  2. Reviewed the FIRM Release 7.1 User's Guide issued in February 2000 and all other documentation prepared by the REPM Division about the use and review of the FIRM.



## **The Foundation Information for Real Property Management System Can Be an Effective Tool to Manage Space Inventory**

---

### **Appendix II**

#### **Major Contributors to This Report**

Maurice S. Moody, Associate Inspector General for Audit (Headquarters Operations and Exempt Organizations Programs)

John R. Wright, Director

Daniel R. Cappiello, Audit Manager

William A. Floyd, Senior Auditor

Albert M. Sleevea, Senior Auditor

Carole Connolly, Auditor

Britt M. Molitoris, Auditor

**The Foundation Information for Real Property Management System Can Be an  
Effective Tool to Manage Space Inventory**

---

**Appendix III**

**Report Distribution List**

Chief, Agency-Wide Shared Services A  
Chief Counsel CC  
Director, Legislative Affairs CL:LA  
Director, Office of Program Evaluation and Risk Analysis NHQ:R:O  
Director, Real Estate and Facilities Management A:RE  
National Taxpayer Advocate TA  
Office of Management Controls CFO:A:M

# The Foundation Information for Real Property Management System Can Be an Effective Tool to Manage Space Inventory

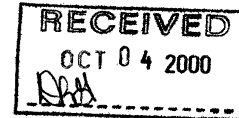
## Appendix IV

### Management's Response to the Draft Report



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

September 27, 2000



MEMORANDUM FOR DAVID C. WILLIAMS  
TREASURY INSPECTOR GENERAL  
FOR TAX ADMINISTRATION

FROM:

*Charles O. Rossoth*  
Charles O. Rossoth  
Commissioner of Internal Revenue

SUBJECT:

Management Response to Draft Audit Report – The  
Foundation Information for Real Property Management  
System can be an Effective Tool to Manage Space Inventory

Thank you for the opportunity to review and comment on your draft report dated August 28, 2000, on the Internal Revenue Service's version of the Foundation Information for Real Property Management (FIRM). We believe the report is comprehensive and sound in its findings. We appreciate the level of professionalism exhibited by your staff during the audit.

We have taken two significant steps toward improving the management of the space inventory. FIRM version 7.2, available in October 2000, will:

- modify screens to clarify the difference between a partial release and full release of a property,
- provide additional reports to assist in reviewing the integrity of the data, and
- populate the rent comparison screen (agency portion) with data from the IRS acquisition information screen and the building inventory screen, eliminating the need for duplicate data entry.

Revised operating procedures, scheduled to be issued in October 2000, will:

- standardize operational issues, such as the tolerance threshold for discrepancies with the General Services Administration (GSA) rent bill, and
- establish quality reviews to ensure data integrity.

The attached management report provides information on actions already in place or underway, which address each of the recommendations in detail. If you have any questions, please call Ron Stephen, Acting Director, Real Estate and Facilities Management, Agency-Wide Shared Services at (202) 283-9423. A member of your staff may call Doug Capps, Chief, Administration and Control, Real Estate and Facilities Management at (202) 283-9368.

Attachment

## The Foundation Information for Real Property Management System Can Be an Effective Tool to Manage Space Inventory

---

### Foundation Information for Real Property Management System Management Response

**Recommendation One: Standard operating procedures need to be established and implemented.**

ASSESSMENT OF CAUSE: As the result of a Service-wide reorganization and the implementation of a new real property database (FIRM), new procedures were needed. Facilities Branches were operating under procedures for the former system and organizational structure.

CORRECTIVE ACTIONS: We are taking the following actions for the procedural areas identified in the report:

1. *Establish tolerance threshold for discrepancies between the IRS inventory and the GSA rent bill.*
  - We issued a standard threshold of \$100 in a policy memorandum to the Facilities Branches dated June 2, 2000. It is a supplement to the FIRM manual.
2. *Establish consistent procedures for inputting data and documenting GSA discrepancies, specifically, the partial release and full release of properties.*
  - The FIRM contractor is currently programming the affected screens to standardize these procedures. The system will clearly distinguish between a partial release and a full release and will no longer allow a partial release that results in a balance of zero square feet.
  - FIRM version 7.2 will be issued with the modified screens in October 2000.
3. *Establish quality review procedures of the data in the system.*
  - Quality review requirements have been developed and will be issued as part of revised FIRM procedures in October 2000.

IMPLEMENTATION DATES:

1. June 2, 2000 (Completed)
2. October 2000
3. October 2000

RESPONSIBLE OFFICIAL: Director, Real Estate and Facilities Management,  
Agency-wide Shared Services

## **The Foundation Information for Real Property Management System Can Be an Effective Tool to Manage Space Inventory**

---

### **Foundation Information for Real Property Management System Management Response**

**Recommendation Two: Enhancements to FIRM are needed to ensure that the modules work together.**

ASSESSMENT OF CAUSE: The current version of FIRM requires the users to input information into the building inventory and acquisition information screens and the rent comparison screen (agency portion). This double data entry increases the likelihood of data entry error.

CORRECTIVE ACTION:

The FIRM contractor's current task order will populate the rent comparison screen (agency portion) with data from the IRS acquisition information screen and building inventory screen, eliminating the need for duplicate data entry. This release will be available to the users in October 2000.

IMPLEMENTATION DATE:

October 2000

RESPONSIBLE OFFICIALS:

Director, Real Estate and Facilities Management, Agency-Wide Shared Services